

Kenya Tourism: Still a Long Way from Reaching Its True Potential

When I first came to Kenya, in August 1990, I was a backpacker on a shoestring budget.

At midcourse between Cape Town and Cairo, I got accommodation at the New Kenya Lodge in River Road for \$ 2.50 (Sh200). After spending two nights there, I continued to Garissa and Liboi, heading to Somalia.



In 1994, I returned with my wife, and in downtown Nairobi, urban chaos and poverty struck her so much that she was reluctant to come back 15 years later, when I was offered a job.

Today, I enjoy the full beauty of Kenya with my family, and we all agree — my wife included! — that this is one of the most beautiful countries in the world. If you created an index of “natural beauty per square-kilometer” Kenya would probably come up on top of the list.

Starting from Nairobi, within a few hours of driving, you enjoy the most amazing nature: the Masai Mara, Kilimanjaro, Mt Kenya and Lake Victoria are all within reach. Nairobi is surprisingly pleasant, with one of the best climates in the world: it is one of the few cities where you neither need air-conditioning nor heating — all year long (well, it will soon get “cold” in July but the fireplace will help).

But Kenya’s beauty is not matched by its position in the world of tourism. This should really be one of

the top tourist destinations in the World. Instead, Kenya is losing ground to many of its peers. Over the last 15 years, Kenya's tourism appears to have stagnated cozily in its comfort zone.

In 2007, Kenya attracted some 1.5 million tourists, but arrivals dropped sharply in 2008. By contrast, Thailand and Egypt are attracting respectively 16 and 14 million visitors. Even Singapore, a city with no mountains or animals, attracts more than nine million visitors. Munich, my home-town, attracts almost seven million visitors during the two weeks of the Beer Festival.

Arrivals are not the only meaningful metric. Some visitors come for short trips, others stay longer; some spend a large amount of money, others stick to a tight budget. But the raw numbers still matter, because each of Kenya's 1.5 million visitors go back home with stories to tell, which are ultimately shaping the "Brand Kenya".

Tourism is critical for Kenya's economy. Together with tea and horticulture, it earns the lion's share of the foreign exchange. Without tourism, Kenya's current account deficit would widen by 20 percent, and exceed 15 percent of GDP. And when these visitors exchange their dollars, yens or euros for shillings, the national currency gets a boost. More importantly, tourism is a labor-intensive activity: think of all the jobs created (about 100,000 by some estimates).



But Kenya has much more potential than it currently exploits. This country has an amazing portfolio of attractions to offer: safaris, beaches, and mountains; and something to offer for each "price segment" of

the market, from backpackers to business travelers. Airline connections are also good and getting better. Kenya is also benefiting from the economic good fortunes of Asia and Africa.

A growing middle-class in emerging economies is increasingly travelling around the world. So what could Kenya do to “polish its diamonds?” First, Kenya needs to offer the right package for safaris, beaches, mountains, as well as MICE. Some countries have made the mistake of putting all their eggs into the same basket, for instance by shooting exclusively at the high-end of the market.

Having started as a backpacker myself, I am not convinced that Kenya should only court the “premium tourists”. Research actually shows that backpackers spend a much larger share of their money on the local economy.

Second, there is still a long way to go before Kenya’s facilities can reach the same standards as those in Egypt and Thailand. Land policies appear to be a particular challenge. Walking along Diani beach, you see so many run-down buildings, inhabited not by wealthy visitors, but by rats and birds. This puts a lot of people off, and also discourages investment, as hotels are being replaced by high rise flats. Better governance helps. The recent introduction of e-ticketing at Masai Mara generates much higher revenues which could be rechanneled into upgrading the infrastructure.



Third, transport is a challenge, though it has been improving. Nairobi’s JKIA is one of the best in Africa, but it is still not world class. True, you can fly easily to most destinations, but going by road is still a nightmare. My family and I have on many occasions travelled to the Masai Mara, one of the world’s greatest wonders. But as I load the car before we leave Nairobi, I always think to myself, “How strange.

In order to get to paradise, you first have to go on one of the worst roads in the country!”

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